

JAPAN

IN AT THE GROUND LEVEL: J TRUST'S UNIQUE STRATEGY IN THE ASEAN REGION

By focusing on retail and small business customers, J Trust has found success in a niche market segment often overlooked by the other big foreign banks in the ASEAN region

Japan's aging population and shrinking domestic market has compelled Japanese companies to look abroad for new opportunities. Like many other Japanese financial institutions, J Trust is focusing its overseas efforts in the fast-growing ASEAN region.

But while other major banks in the region focus on mega projects, providing credit lines ranging from \$10 million to \$1 billion, J Trust has found itself a niche market in micro-financing and small business loans, a strategy which, aside from generating healthy profits, is improving livelihoods at ground level.

In a developing country, first-mover foreign banks generally come in to provide financial support for

major industrial and infrastructure projects. J Trust's strategy involves coming into a developing market at a later stage than other players, targeting the retail and small business customers that are not catered to by the other big foreign banks.

"We target the populations and we focus on personal consumer credit products, which is something that major banks don't do. That is why we do not look upon the major banks moving into these locations as competitors, but rather as potential partners," says Nobuyoshi Fujisawa, President and CEO of J Trust.

"As a private consumer-focused bank, our products will always be about money. In places like Indonesia,

we focus on micro-financing so that people can buy agricultural equipment or supplies. Our actions are aimed at increasing people's everyday living standards."

Through its subsidiaries in the region, J Trust provides small loans averaging from just \$200 to \$300. For small business customers that need to buy expensive equipment, such as agricultural machinery, it can offer hire purchase and the loan amount is up to \$30,000, but that is generally its top limit per client.

"Not having other banks addressing the consumer market means no competition for us. Furthermore, J Trust Indonesia does not only focus on micro-finances, it also deals in cor-



Nobuyoshi Fujisawa,
President and CEO, J Trust

porate loans from roughly \$1 million to \$5 million," says Mr. Fujisawa.

"I expect to have an increase in the number of banks and services across South East Asia, while pursuing the same business approach — micro-financing individual clients and making people happy. Even though we are different to the majority of other banks, the finance industry is well established, which makes differentiation hard to come by. This means that in two years' time, we cannot say that something will be significantly different. We must move forward step-by-step and not lose focus."



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